



## **IRISH LIFE INVESTMENT MANAGERS (ILIM)**

### ***The week that was – WEEK 07 (ending 12/02/2016)***

**"We acquire the strength we have overcome." – Ralph Waldo Emerson**

**Irish consumer sentiment hits 15-year high** – The KBC Bank Ireland/ESRI consumer sentiment index rose to 108.6 last month, taking it to its strongest level since February 2001. 38% of the consumers surveyed said they expect their financial situation to improve in the next year, as against 11% who expect a deterioration.

**Cash buyers are 47% of Irish residential property sales** – According to an analysis by estate agent Savills, cash buyers account for 47% of all sales in the residential property market, with 15% being first-time buyers due to purchasers "relying on the bank of mum and dad as they wouldn't have the money for a deposit".

**Global stock markets rally on Friday after weekly fall** – Markets moved higher on Friday, regaining some of the losses from earlier in the week. The world stock market was down nearly 3% during the week with further concerns about the potential health of the global economy and mixed signals on U.S. interest rates in 2016.

**Fed Chief says U.S. interest rate rises will be gradual** – Fed Chair, Janet Yellen, in her statement to Congress had a varied message on the U.S. economy. She highlighted global growth and financial market concerns but also the positive effect of lower oil prices. She said that further increases in rates will be gradual.

**Euro zone GDP maintains same growth in Q4 as Q3** – The European Union's statistics office Eurostat said gross domestic product in the euro zone rose 0.3% quarter-on-quarter in the last three months of last year, the same modest growth as Quarter 3. This will add to the arguments for further monetary easing by the ECB.

**IMF nominates Lagarde for a second term** – International Monetary Fund managing director Christine Lagarde has been nominated to a second term. She took over as the IMF's 11th director in 2011. The IMF said that nominations for the role had closed on Wednesday and she was the only candidate nominated.

**The Story of the week:** One man's struggle to push his bin up his icy driveway has gone viral with over 1.8 million watches on Facebook. His wife Samantha saw Alun Miles, from Gloucester in the U.K., struggling for a minute and then did what any loving spouse would do - she went to get her phone so she could film his tortuous ordeal.

#### **DISCLOSURE:-**

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.



## Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 12/02)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-15.3
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-8.4
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-15.5
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	-8.5
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-13.4
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-21.4
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	-8.9
MSCI World	-7.6	13.1	26.2	7.7	0.2	-11.4
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
US	1.9	1.7	3.0	2.2	2.2	1.8
German	1.8	1.4	1.9	0.5	0.6	0.3
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.9
Italy	7.1	4.6	4.1	2.1	1.6	1.6
Greece	31.7	12.7	8.2	9.6	7.9	11.2
Portugal	13.4	6.9	6.1	2.7	2.5	3.6
Spain	5.1	5.4	4.1	1.6	1.7	1.7
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.05
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.77
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.45
<b>IPD All Property Return (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Ireland	-2.4	-2.4	3.1	12.7	40.1	20.2 (to end of Q3)
UK	14.5	8.1	2.7	10.7	17.8	9.9 (to end of Q3)
US	14.8	14.5	5.3	11.4	11.2	7.9 (to end of Q3)

\*Past performance is not a reliable guide to future performance